

REPORT

CD NO.

50X1

COUNTRY Rumania

DATE DISTR. 16 Dec 1953

SUBJECT Income Tax Levied on Remittances from US

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1. A colleague of mine has aged parents still residing in Sanmartin, and on a number of occasions in the past two years he has sent them some money as they are in dire economic straits due to the fact that their farm, animals, and machinery were confiscated by the Communist regime.
2. About 1 Nov 53 my colleague received a letter from his father who said that on the last remittance, which was in the amount of US\$10, the State had levied a tax of 45% because there was no affidavit stating that the money was for the "support of old age parents only."
3. It was said that if such an affidavit had been forwarded, the income tax would have been 15% as money for parents carries the lowest tax rate. Money for a brother or a sister, or other members of the family, carries a tax of 45%.
4. It was necessary for my colleague's father to identify the sender and prove that he was a son. Even so, the authorities would not accept his explanation without the affidavit and so charged the highest rate.
5. As of November 1953, US\$10 is equivalent to about 110 lei. A good skilled mechanic in Rumania in 1953 will earn approximately eight hundred to nine hundred lei per month. For purpose of comparison, one pair of shoes costs approximately one hundred lei.

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